

MUNICIPAL INCOME TAX REVENUE

The following schedule compares budgeted income tax revenue to actual revenue beginning with the fiscal year 1992-93:

In Thousands						
Year	Budgeted Revenue	Actual Revenue	Actual Over/(Under) Budget		Increase/ (Decrease) in Actual Revenue from Prior Year	
			Amount	Percentage	Amount	Percentage
1992-1993	\$ 275,900	\$ 279,697	\$ 3,797	1.4 %	\$ 7,251	2.7 %
1993-1994	283,000	296,888	13,888	4.9 %	17,191	6.1 %
1994-1995	296,300	312,710	16,410	5.5 %	15,822	5.3 %
1995-1996	327,850	335,755	7,905	2.4 %	23,045	7.4 %
1996-1997	337,600	332,900	(4,700)	(1.4)%	(2,855)	(0.9)%
1997-1998	351,500	361,604	10,104	2.9 %	28,704	8.6 %
1998-1999	368,000	370,417	2,417	0.7 %	8,813	2.4 %
1999-2000	379,900	378,257	(1,643)	(0.4)%	7,840	2.1 %
2000-2001	387,400	375,800 (A)	(11,600)	(3.0)%	(2,457)	(0.6)%
2001-2002	384,800	N/A	N/A	N/A	N/A	N/A

(A) For 2000-2001, the actual revenue is the amount projected by the Budget Department.

N/A For 2001-2002, amounts and percentages are not presently available.

Note 1: City income tax rates were 3% for residents and 1.5% for nonresidents through June 30, 1999. Beginning July 1, 1999, tax rates were reduced to 2.9% for residents and 1.45% for nonresidents. Beginning July 1, 2001 tax rates will be reduced again to 2.7% for residents and 1.35% for nonresidents.

Note 2: The City's income tax rate for corporations was 2% until January 1, 1998 when the rate was changed to 1.9%. The rate will be reduced again to 1.4% beginning January 1, 2002.

Income tax revenue can be difficult to predict due to the various economic factors (e.g., population changes, employment levels, and changes in taxpayer incomes) which directly affect the City's income tax revenue. As shown by the preceding schedule, since 1992-1993, actual income tax revenue has been both under (in three fiscal years) and over (in six fiscal years) budgeted revenue, ranging from an estimated 3.0% deficit in 2000-2001 to a 5.5% surplus in 1994-95.

The Budget Department projects actual municipal income tax revenue for 2000-2001, at \$375.8 million, resulting in a projection that is \$11.6 million (or 3%) less than the \$387.4 million that was budgeted. This projection is based on actual year-to-date income tax collections and recognition of the increase in the local unemployment rate in January 2001, the recent cutback in overtime for city factory workers, and the slowing down of the economy. Even so, the \$375.8

million would represent the second highest amount of income tax revenue collected for one year. Our evaluation of available data, such as actual year-to-date income tax collections, indicates this is a realistic and reasonable projection.

The \$384.8 million included in the 2001-2002 Mayor's Proposed Budget is \$9 million (or 2.4%) more than the \$375.8 million projected for 2000-2001. According to the Budget Department, the estimate assumes a growth factor of 2.4%, which was determined by a respected local economist, specifically for the City's 2001-2002 Budget.

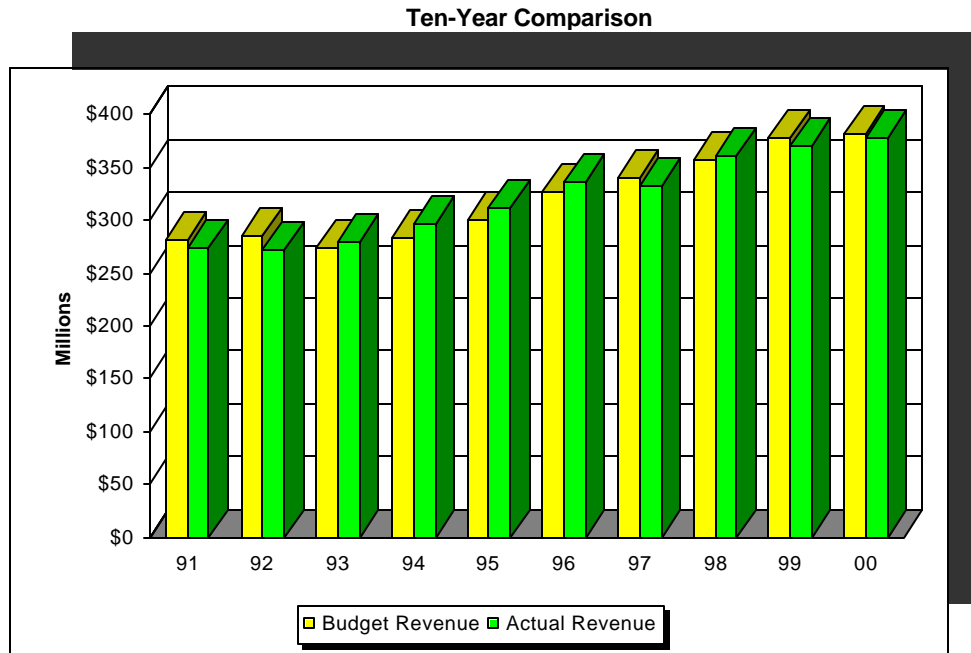
As the Mayor stated in his budget message, the \$384.8 million is fairly optimistic, considering the uncertainty as to where the economy is headed. We agree.

The reduction in the residential tax rate from 2.8% to 2.7%, effective July 1, 2001, equals a reduction of about 3.6% in the effective residential tax rate for 2001-2002. The reduction in the nonresidential tax rate from 1.45% to 1.4%, effective July 1, 2001, equals a reduction of about 3.4% in the effective nonresidential tax rate. In order for the 2001-2002 municipal income tax revenue to equal the 2000-2001 projected amount of \$375.8 million, taxable incomes will have to increase by approximately 3.5%.

In our opinion, given the decline in the effective tax rates, the current economic slowdown (as manifested in the local economy by the increase in unemployment and recent reductions in overtime), and the projected revenue for the current fiscal year, we estimate that the \$384.8 million included in the 2001-2002 Mayor's Proposed Budget, which reflects a \$9 million increase over the current fiscal year, is optimistic. A conservative estimate would be an amount equal to the current year projection of \$375.8 million.

Revenues - General Fund

Municipal Income Tax Revenue - Budget vs. Actual



Comment:

The following table compares actual Municipal Income Tax revenue to the revised budget amount for each of the past ten fiscal years. Actual exceeded revised budget in five of the ten years with actual revenue ranging from \$13.1 million less than budget to \$13.9 million more than the revised budget.

FYE June 30			Actual Over (Under)
	Revised Budget	Actual	
1991	\$281,500,000	\$273,173,278	\$ (8,326,722)
1992	285,500,000	272,445,502	(13,054,498)
1993	273,400,000	279,697,020	6,297,020
1994	283,000,000	296,888,378	13,888,378
1995	299,719,000	312,710,316	12,991,316
1996	327,850,000	335,755,153	7,905,153
1997	339,673,600	332,899,906	(6,773,694)
1998	357,191,258	361,603,692	4,412,434
1999	377,394,833	370,417,475	(6,977,358)
2000	382,557,862	378,256,650	(4,301,212)

Note: The amounts for the year 2000 are based on a draft copy of the CAFR.

STATE REVENUE SHARING

State Revenue Sharing is the process by which a portion of certain tax revenues imposed and collected by the State of Michigan is distributed to local units of government, including municipalities, as provided by various State laws. Currently, the State shares a portion of sales tax with local governments.

On January 12, 1999, the Governor signed House Bill No. 5989, thereby creating Public Act 532 of 1998, which changed the methods for determining State Revenue Sharing payment amounts.

In accordance with Public Act 532 of 1998, the City of Detroit will receive a total of \$333,900,000 in State Revenue Sharing payments each year, from State fiscal year 1998-1999 to State fiscal year 2005-2006, and an annualized amount for the nine-month period from October 1, 2006 to June 30, 2007. The total budgeted revenue of \$333,900,000 for State Revenue Sharing includes constitutional payments and statutory payments. The constitutional portion of State Revenue Sharing is determined by the State Constitution; the statutory portion is determined by the Governor and State legislature.

Although the amount of State Revenue Sharing payments to the City is frozen at \$333,900,000, Public Act 532 specifies that for a State fiscal year (October 1 to September 30) in which the sales tax collections decrease from the sales tax collections for the immediately preceding State fiscal year, the City will receive a proportionally reduced amount of State Revenue Sharing payments.

Public Act 532 of 1998 also provides that the treasurer of any city, village, township, or county who collects money for an authority that levies property taxes shall pay an eligible authority its share of state revenue. The City is required to pay \$1,896,836 to the Detroit Public Library and \$69,767 to the Downtown Development Authority (DDA) from the \$333,900,000 in State Revenue Sharing each year, for the 1998-1999 through 2005-2006 State fiscal years, and an annualized amount of its share of state revenue for the nine-month period from October 1, 2006 to June 30, 2007.

The State Revenue Sharing payments included in the 2001-2002 Mayor's Proposed Budget is compared to the 2000-2001 Budget in the following schedule:

	In Millions		
	2001-2002 Mayor's Budget	2000-2001 Budget	Increase (Decrease)
State Revenue Sharing:			
State Sales Tax – Constitutional Portion	\$ 72.0	\$ 71.0	\$ 1.0
State Sales Tax – Statutory Portion	260.0	261.0	(1.0)
Total State Revenue Sharing, City's Portion	\$ 332.0	\$ 332.0	\$ 0.0
Detroit Public Library and DDA	1.9	1.9	0.0
Total State Revenue Sharing	<u>\$ 333.9</u>	<u>\$ 333.9</u>	<u>\$ 0.0</u>

As shown in the preceding schedule, the budgeted amount for State Revenue Sharing remains constant at \$333.9 million in the 2001-2002 Mayor's Proposed Budget.

According to analysts for the State, due to the decrease in the City's population resulting from the 2000 census, the City will receive about \$65 million in 2001-02, for the constitutional portion of State Revenue Sharing. The 2000 census figure was not available when the City's \$72 million estimate for the constitutional portion was prepared.

However, any decrease in the constitutional portion of the State Revenue Sharing payments will be offset by an increase in the statutory portion of State Revenue Sharing payments, to maintain the total State Revenue Sharing payment at \$332.0 million, excluding the payments to the Detroit Public Library and Downtown Development Authority. Based upon the provisions of Public Act 532 of 1998, and our analysis of the 2001-2002 Mayor's Proposed Budget, the total \$333.9 million estimated budget amount for State Revenue Sharing is reasonable.

PROPERTY TAX REVENUE

Property tax revenue includes taxes on both real property (i.e., real estate) and personal property (e.g., machinery and equipment).

Taxable valuations, tax levies, and tax rates (not including the Library) applicable to the 2001-2002 Mayor's Proposed Budget are compared with the 2000-2001 Budget and the 1991-1992 Budget (to provide a historical perspective) as follows:

	<u>1991-1992 Budget</u>	<u>2001-2002 Mayor's Budget</u>	<u>2000-2001 Budget</u>	<u>2001-2002 More/(Less) Than 2000-2001</u>
Taxable Valuations (Millions)	<u>\$ 5,655</u>	<u>\$ 7,639</u>	<u>\$ 7,204</u>	<u>\$ 435</u>
Tax Levies (Millions):				
General Operations	\$ 113.1	\$ 152.5	\$ 143.8	\$ 8.7
Garbage Tax	17.0	22.9	21.6	1.3
Debt Service	37.9	68.3	62.8	5.5
Building Authority Lease Payment	<u>5.8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Levy	<u>\$ 173.8</u>	<u>\$ 243.7</u>	<u>\$ 228.2</u>	<u>\$ 15.5</u>
Less: Estimated Delinquencies		<u>18.2</u>	<u>22.9</u>	<u>(4.7)</u>
Net Property Tax Collections		<u>\$ 225.5</u>	<u>\$ 205.3</u>	<u>\$ 20.2</u>
Tax Rates (Per Thousand):				
General Operations	\$ 20.000	\$ 19.962	\$ 19.962	\$ 0.000
Garbage Tax	3.000	2.994	2.994	0.000
Debt Service	6.706	8.944	8.722	0.222
Building Authority Lease Payment	<u>1.030</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total Tax Rate	<u>\$ 30.736</u>	<u>\$ 31.900</u>	<u>\$ 31.678</u>	<u>\$ 0.222</u>

The 2001-2002 Mayor's Proposed Budget includes \$225.5 million for net property tax revenue, which is an increase of \$20.2 million (9.8%) over the 2000-2001 Budget. This increase is attributable mainly to a \$435 million increase in taxable valuations and the application of a higher collection rate (effectively 91.25% versus 90.0%) in 2001-2002 as compared to 2000-2001.

Based on our analysis, two factors, which are likely to have a negative impact on net property tax revenues in 2001-2002, are a lower collection rate than is anticipated in the Mayor's Budget,

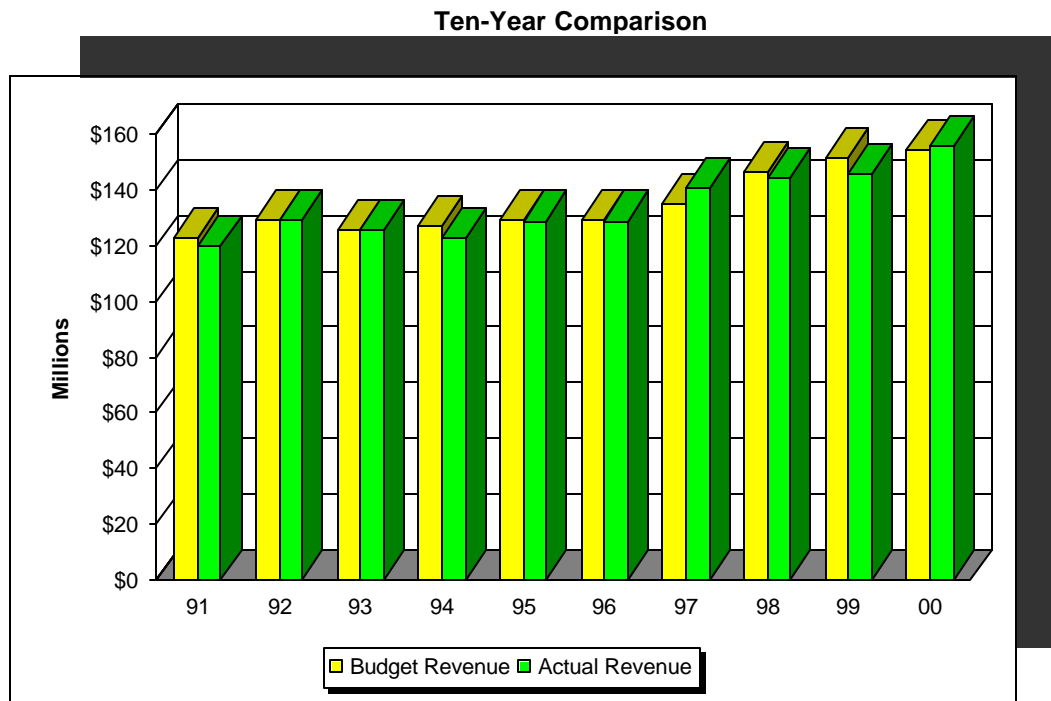
and legal action related to personal property multipliers, which have the effect of lowering the taxable valuations for personal property.

We estimate that a collection rate of 90.5%, instead of 91.25%, is more realistic in view of actual historical experience (a collection rate ranging from 88.0% to 90.7% over the past ten fiscal years), which would result in about a \$1.8 million revenue shortfall. When coupled with our estimate of the negative impact of the reduced taxable valuations for personal property taxes (about a \$4.0 million reduction in revenue) resulting from the legal action previously mentioned, we estimate that net property tax revenue is overstated by about \$5 to \$7 million.

In addition, the Budget Department projects actual property tax collections for 2000-2001 to total \$209.6 million. The projected collections are \$4.3 million more than the budgeted amount of which approximately \$3.1 million relates to the General Fund and approximately \$1.2 million relates to debt service. The projected \$209.6 million in collections represents a 91.85% collection rate, which is also optimistic, inasmuch as the City has not achieved that collection level in the past decade.

Revenues - General Fund

Property Tax Revenue - Budget vs. Actual



Comment:

The following table compares the actual Property Tax revenue to the revised budget amount for each of the past ten fiscal years. Actual Property Tax revenue was less than the revised budget amount in seven of the ten years, with actual revenue ranging from about \$6 million less than budget to \$5.5 million more than the revised budget.

FYE June 30			Actual Over (Under)
	Revised Budget	Actual	
1991	\$ 122,627,648	\$ 119,879,456	\$ (2,748,192)
1992	128,953,956	128,796,462	(157,494)
1993	125,101,483	125,355,656	254,173
1994	127,004,781	122,717,732	(4,287,049)
1995	128,906,985	128,628,234	(278,751)
1996	128,847,514	128,617,493	(230,021)
1997	134,950,027	140,446,673	5,496,646
1998	146,085,952	144,067,977	(2,017,975)
1999	151,451,730	145,459,046	(5,992,684)
2000	154,291,093	155,665,928	1,374,835

Note: The amounts for the year 2000 are based on a draft copy of the CAFR.

UTILITY USERS EXCISE TAX REVENUE

The Utility Users Tax Act (initially approved as State Public Act No. 198 of 1970), as amended, allows the City to assess and collect up to a 5% tax on users in the City of Detroit for intrastate telephone services (excluding cellular telephone services), electric, steam, and gas utilities. The Act, as amended, provides that these tax monies must be used to retain or hire police officers. The Act also requires that the amount of each fiscal year's Utility Users Tax collected "in excess of \$45,000,000 shall be dedicated and used exclusively to hire or retain additional police officers (having the rank of sergeant or below) over the level (3,537 officers according to the Budget Department) ...employed on November 1, 1984". In the 1999-2000 fiscal year, the Police Department had 337 officers over the statutory level. For the 2000-2001 fiscal year, the Police Department is now reporting the number of officers funded by Utility Users Tax revenue on an annual basis and will release the data at the end of the fiscal year.

State Public Act No. 548 of 1998 further amended the Utility Users Tax Act to reduce the population threshold necessary to impose the City Utility Users tax from 1,000,000 to 750,000. This will allow the City of Detroit to continue to assess the tax even though the City's population has fallen below 1,000,000 people, according to the year 2000 US census.

The following schedule compares budgeted Utility Users Tax revenue to actual revenue beginning with the 1992-1993 fiscal year:

In Thousands				
<u>Year</u>	<u>Budgeted Revenue</u>	<u>Actual Revenue</u>	<u>Actual Over/ (Under)</u>	<u>Percent Over/ (Under) Budget</u>
1992-1993	\$68,400	\$48,650	\$(19,750)	(28.9)%
1993-1994	59,900	53,594	(6,306)	(10.5)
1994-1995	52,500	49,633	(2,867)	(5.5)
1995-1996	56,300	53,907	(2,393)	(4.3)
1996-1997	54,700	54,641	(59)	(0.1)
1997-1998	57,400	50,145	(7,255)	(12.6)
1998-1999	54,700	50,924	(3,776)	(6.9)
1999-2000	54,600	54,505	(95)	(0.2)
2000-2001	54,600	54,600 (A)	-	-
2001-2002	54,600	N/A	N/A	N/A

(A) For 2000-2001, the actual revenue is an amount projected by the Budget Department.

N/A For 2001-2002, amounts and percentage are not presently available.

As the preceding schedule shows, actual revenue has fallen short of budgeted revenue each year, since 1992-1993, except for 2000-2001, and actual revenue has reached the 2001-2002 budgeted amount of \$54.6 million in only one year.

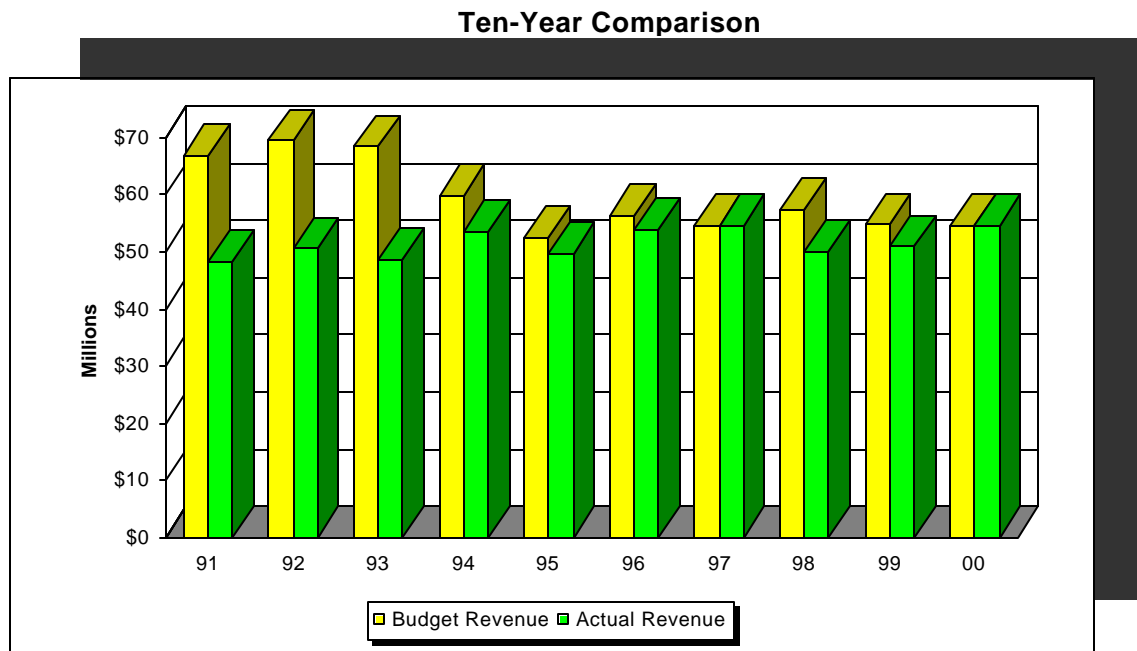
Actual revenue is projected at \$54.6 million for 2000-2001, which is slightly optimistic but reasonable. Through the end of March 2001, collections were about 4% less than the comparable period in 1999-2000, which recorded actual revenue of \$54.5 million for the entire fiscal year. If this trend would continue for the entire year, actual revenue would fall short of the projected amount by about \$2 million in 2000-2001.

Based on recent experience, whereby actual revenue for 1999-2000 totaled \$54.5 million and projected actual revenue for the current year is \$54.6 million, the \$54.6 million included in the 2001-2002 Mayor's Proposed Budget for Utility Users Tax revenue is reasonable. Increases and decreases in actual revenue from year-to-year, to a large degree, depend on the severity of Detroit's winter weather and changes in utility companies' rates.

Additionally, in the mid 1980's, the natural gas industry was deregulated and some local companies purchased gas out-of-state, in an attempt to avoid the Utility Users Tax. The courts have ruled that the cost of all natural gas purchases was subject to the Utility Users Tax. In December 1993, the City began billing for unpaid taxes on out-of-state gas purchases which occurred from 1986 to 1993. Since December 1993, the City has collected \$23 million in Utility Users Tax revenue related to the successful litigation of out-of-state gas purchases and currently has an additional \$9.8 million in unpaid billings.

Revenues - General Fund

Utility Users Tax Revenue - Budget vs. Actual



Comment:

The following table compares the actual Utility Users Tax revenue to the revised budget amount for each of the past ten fiscal years. Actual Utility Users Tax revenue was less than the revised budget amount for each of the ten years, with actual revenue ranging from \$58.6 thousand to \$19.7 million less than the revised budget.

FYE June 30			Actual Over (Under)
	Revised Budget	Actual	
1991	\$66,725,000	\$48,271,755	\$ (18,453,245)
1992	69,406,044	50,583,264	(18,822,780)
1993	68,400,000	48,650,320	(19,749,680)
1994	59,900,000	53,593,661	(6,306,339)
1995	52,500,000	49,632,997	(2,867,003)
1996	56,300,000	53,906,871	(2,393,129)
1997	54,700,001	54,641,394	(58,607)
1998	57,400,000	50,144,609	(7,255,391)
1999	54,750,000	50,924,267	(3,825,733)
2000	54,600,000	54,504,747	(95,253)

Note: The amounts for the year 2000 are based on a draft copy of the CAFR.

CASINOS

Background

Pursuant to State Public Act 69 of 1997, the City receives Wagering Taxes of 9.9% of Adjusted Gross Receipts (AGR is gross casino receipts less winnings paid out to wagers) from three operating temporary casinos; the MGM Grand Detroit Casino and the MotorCity Casino which both began operations in 1999, and the Greektown Casino, which began operations in November 2000. The City also collects a Municipal Service Fee of 1.25% of AGR or \$4 million per licensee, whichever is greater. This fee is paid to the City on the anniversary date of each casino's opening.

Wagering Tax Revenue

The 2001-2002 Mayor's Proposed Budget includes \$94.3 million in Wagering Taxes, which represents an increase of \$13.6 million (16.9%) over the 2000-2001 Budget amount of \$80.7 million. The proposed budget is based on estimates prepared by Deloitte & Touche LLP. Based on our evaluation of available data (i.e., City revenue reports and statistical data), the \$94.3 million budget amount is reasonable. However, proposed budget estimates do not factor in the current economic slowdown, which could adversely affect wagering tax revenue.

Actual Wagering Tax revenue for the fiscal year 1999-2000 totaled \$53.4 million, which represented a \$1.9 million increase over the budgeted amount. For the fiscal year 2000-2001 actual Wagering Tax revenue is projected at \$4.9 million (6.1%) more than the \$80.7 million budgeted amount. The City averaged \$243 thousand in daily revenue for the recent four-month period from the beginning of December 2000 through the end of March 2001.

Municipal Service Fees

The 2001-2002 Mayor's Proposed Budget also includes \$13.1 million in Municipal Service Fees revenue, which is reasonable.

Proposed Budgeted Appropriations

The 2001-2002 Mayor's Proposed Budget includes \$12.9 million for 142 police officers and 48 fire personnel to accommodate the three temporary casinos. The Municipal Service Fees will fund these appropriations.

BOND SALES

General Obligation Bonds

The 2001-2002 Mayor's Proposed Budget includes revenues from the sale of voter approved General Obligation Bonds in the amount of \$45,000,000. The estimated cost of bond underwriting expense is \$900,000 or 2% of the bond issue.

The following capital improvement projects are expected to be financed by the sale of General Obligation Bonds in fiscal year 2001-2002.

<u>Department</u>	<u>Project Description</u>	<u>Amount</u>
Airport	Heliport Upgrade and T-Hangar Construction	\$ 550,000
Arts	DIA Improvements	5,000,000
Civic Center	Cobo Hall Transformers, Heliport Roof, and Roof and Parapet	1,600,000
C. Wright Museum of African-American History	Parking	1,000,000
Fire	Fire Station Renovations and Public Safety Mall	3,000,000
Health	Buildings and Sites	1,000,000
Library	Children's Library	1,750,000
Planning and Development	Trafficways Development and Uniroyal Site	4,500,000
Police	Precinct Renovations, Public Safety Mall, Security, and Headquarters Feasibility Study	3,900,000
Public Lighting	Capital Abatement, Remote Electric Meter Reading, Main Street Lighting, Rusted Metal & Wooden Pole Replacement, Substation Improvements, and Traffic Signal Upgrades	6,300,000
Public Works	Solid Waste Division – Roof Parking	1,600,000
Recreation	Park Development – Force Work, Belle Isle Improvements, Recreation Facility Improvements, Parks and Landscape	8,000,000
Unspecified	Unsold Projects	5,000,000
Zoo	Veterinary Hospital, Restrooms Upgrades, and Chimp Moat	<u>1,800,000</u>
	Total General Obligation Bond Sales	<u>\$ 45,000,000</u>

Bond Ratings

The City's bond ratings for General Obligation Bonds (Unlimited Tax) are: **Baa1** for Moody's Investors Service; **A-** for Standard & Poor's; and **A** for Fitch IBCA, Inc. Each of these bond ratings is considered investment grade, i.e., a rating in the top four categories used by commercial credit rating companies. When payment is guaranteed by municipal bond insurance or letter of credit, the City's bond ratings are: **Aaa** for Moody's Investors Service; **AAA** for Standard & Poor's; and **AAA** for Fitch IBCA, Inc.

Revenue Bonds

The Mayor's 2001-2002 Budget includes funding from the sale of Sewerage Revenue Bonds totaling \$360,000,000 for major rehabilitation of the Wastewater Treatment Plant and various infrastructure replacement and improvements.

Capital Reinvestment

The 2001-2002 Mayor's Proposed Budget includes revenue from investment earnings on General Obligation Bond proceeds in the amount of \$7,902,000. Some capital improvement projects are expected to be financed by a combination of General Obligation Bond proceeds and investment earnings on General Obligation bond proceeds during fiscal year 2001-2002. Some other capital improvement projects are expected to be financed solely by investment earnings on General Obligation Bond proceeds.

Remaining Authorization

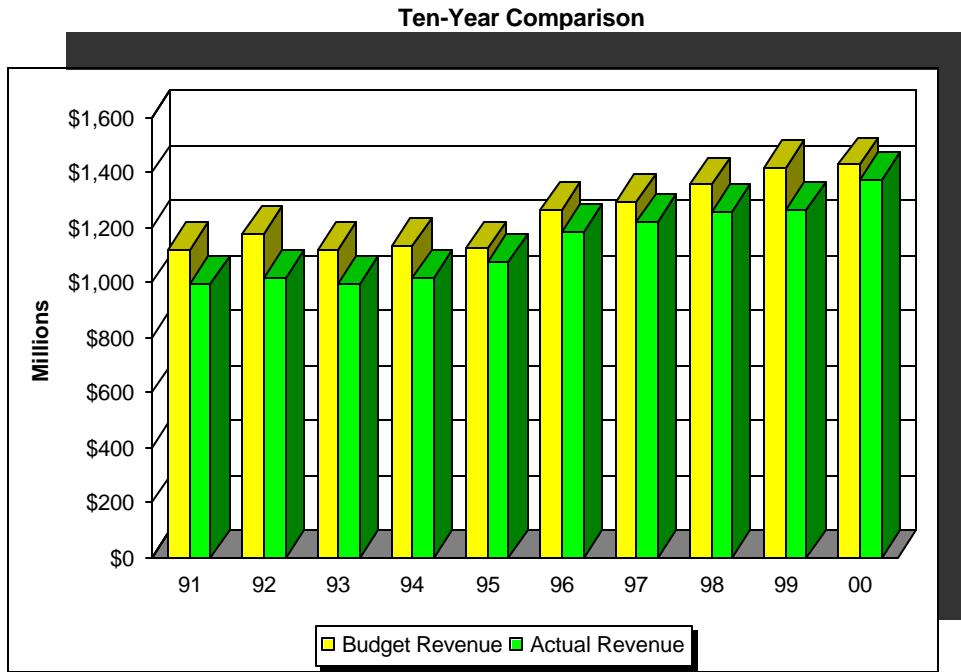
The City currently has voter authorized and unissued General Obligation Bonds totaling \$298,410,000, including \$16,770,000 for bonds authorized and budgeted in previous years, however these bonds have not been sold yet. These bonds will be sold in the future to meet cash funding requirements of authorized projects, such as the \$5,000,000 designated for Unsold Projects. The sale of \$45,000,000 bonds in fiscal year 2001-2002 will reduce the amount of authorized and unissued General Obligation Bonds to \$253,410,000.

Total Legal Debt Margin (General Purpose and Hospital)

Public Act 279 of 1909 limits the maximum amount of net indebtedness that may be incurred for public purposes. The limit is set at 10% of the City's State Equalized Valuation (adjusted for certain assessed value equivalents) or 15% if that portion which exceeds 10% is used solely for construction or renovations of hospital facilities. However, certain general obligation debt (such as the Greater Resource Recovery Authority debt) is excluded from the limit. As of April 1, 2001, the total legal debt margin for the City was \$1,132,542,074 and the related outstanding net debt totaled \$509,333,692.

Revenues - General Fund

Total Revenues - Budget vs. Actual



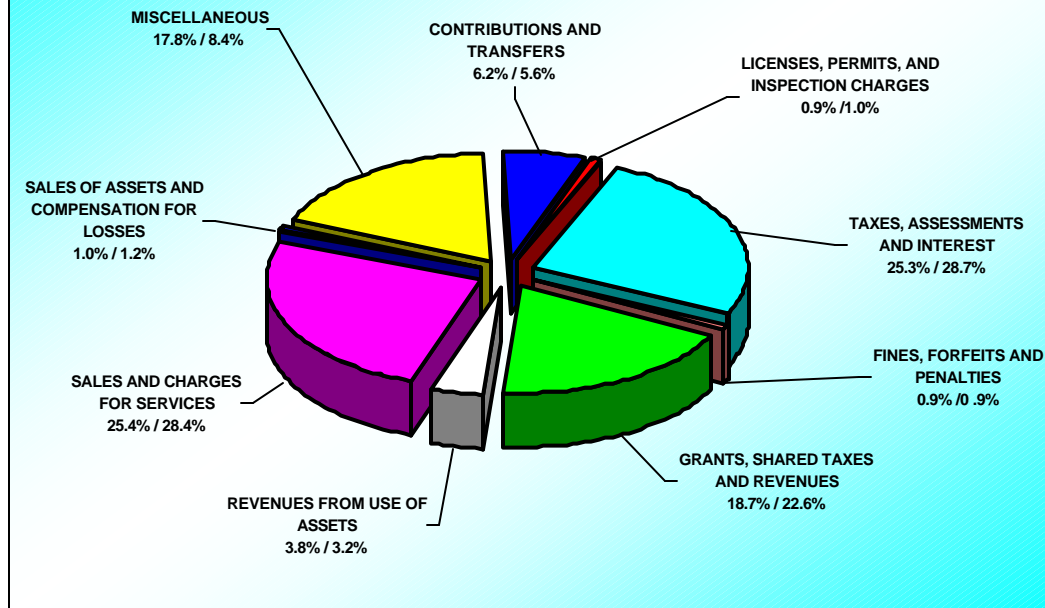
Comment:

The following table compares actual revenues to the revised budget amounts for total General Fund revenues for each of the past ten fiscal years. Total actual revenues of the General Fund were less than the total revised budget amounts for each of the ten years, with shortfalls ranging from about \$48 million to about \$160 million.

FYE June 30			Actual Over (Under)
	Revised Budget	Actual	
1991	\$1,122,100,405	\$ 996,373,041	\$ (125,727,364)
1992	1,175,664,820	1,015,788,685	(159,876,135)
1993	1,119,072,412	993,948,618	(125,123,794)
1994	1,135,407,303	1,015,835,780	(119,571,523)
1995	1,123,918,620	1,075,846,993	(48,071,627)
1996	1,266,087,266	1,186,147,476	(79,939,790)
1997	1,293,422,414	1,219,478,156	(73,944,258)
1998	1,356,820,453	1,260,155,015	(96,665,438)
1999	1,417,418,094	1,267,524,253	(149,893,841)
2000	1,429,373,701	1,377,321,068	(52,052,633)

Note: The amounts for the year 2000 are based on a draft copy of the CAFR

MAJOR REVENUES BY SOURCE
2001-2002 MAYOR'S BUDGET / 2000-2001 BUDGET



<u>REVENUE SOURCE</u>	<u>MAYOR'S</u> <u>2001-2002 BUDGET</u>	<u>2000-2001 BUDGET</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>PERCENT</u> <u>CHANGE</u>
LICENSES, PERMITS, AND INSPECTION CHARGES	\$ 31,263,600	\$ 26,547,716	\$ 4,715,884	17.76 %
TAXES, ASSESSMENTS AND INTEREST	854,806,874	800,120,438	54,686,436	6.83
FINES, FORFEITS AND PENALTIES	28,507,106	26,452,079	2,055,027	7.77
GRANTS, SHARED TAXES, AND REVENUES	631,574,731	629,943,323	1,631,408	0.26
REVENUES FROM USE OF ASSETS	127,765,234	89,788,794	37,976,440	42.30
SALES AND CHARGES FOR SERVICES	855,071,597	789,734,888	65,336,709	8.27
SALES OF ASSETS AND COMPENSATION FOR LOSSES	32,411,300	32,567,278	(155,978)	(0.48)
MISCELLANEOUS	601,726,295	232,695,335	369,030,960	158.59
CONTRIBUTIONS AND TRANSFERS	209,224,851	156,118,005	53,106,846	34.02
TOTAL	<u>\$3,372,351,588</u>	<u>\$2,783,967,856</u>	<u>\$588,383,732</u>	21.13 %

ESTIMATED REVENUES BY SOURCE
2001-2002 MAYOR'S BUDGET / 2000-2001 BUDGET
(in millions of dollars)

	Mayor's Recommendatio n	2000-2001 Budget	Increase (Decrease)
LOCAL SOURCES			
Gross Property Tax (Excludes Library)	\$ 243.7	\$ 228.6	\$ 15.1
Less Estimated Delinquencies	(18.2)	(22.9)	4.7
Net Property Tax	\$ 225.5	\$ 205.7	\$ 19.8
Administrative Fees	4.9	4.2	0.7
Delinquent Taxes (includes Interest and Penalty)	24.8	22.3	2.5
Downtown Development Authority	1.1	1.0	0.1
Earnings on Investments	18.5	17.1	1.4
General Obligation Bonds	40.0	40.0	-
Internal Reserve Fund (Vehicles)	29.7	-	29.7
Licenses, Permits and Inspection Charges	31.3	26.5	4.8
Limited/Pledged Debt Expense	17.8	13.6	4.2
Municipal Income Tax	384.8	387.4	(2.6)
Municipal Service Fee (Casinos)	13.1	9.0	4.1
Wagering Tax (Casinos)	94.3	80.7	13.6
Ordinance Fines	10.5	8.9	1.6
Parking Fines	9.5	9.5	-
Risk Management Fund (Workers' Compensation Pass Through)	20.1	20.0	0.1
Sale of Electricity and Steam	45.1	43.5	1.6
Sales and Charges for Services	119.0	111.2	7.8
Supplemental Fee (GDRRA)	56.2	18.5	37.7
Utility Users Excise Tax	54.6	54.6	-
Other Revenues	77.8	74.3	3.5
Enterprise Agencies			
Library Revenues (Excluding Federal and State Sources)	32.9	29.3	3.6
Revenue Bonds	360.0	-	360.0
Revenue from Operations	721.9	671.0	50.9
Subsidy from General Fund	87.7	76.6	11.1
SUBTOTAL - MAJOR LOCAL REVENUES	\$ 2,481.1	\$ 1,924.9	\$ 556.2
FEDERAL SOURCES			
Community Development Block Grant	\$ 59.9	\$ 52.9	\$ 7.0
Community Service Block Grant	6.2	5.5	0.7
Crime Bill (Police)	11.5	13.3	(1.8)
Department of Energy Weatherization Grant	2.1	2.8	(0.7)
Federal Housing Subsidy	47.7	46.0	1.7
Head Start Grant	45.8	42.2	3.6
Health Grants	35.1	40.0	(4.9)
Home Investment Grant	18.5	16.6	1.9
Housing Comprehensive Grant	23.0	26.8	(3.8)
Work Force Investment Act Grant	17.4	16.9	0.5
Medicare Reimbursement-EMS	4.8	4.8	-
Michigan Occupational Skills Training Grant	42.9	34.0	8.9
Other Revenues	3.2	3.2	-
SUBTOTAL - MAJOR FEDERAL REVENUES	\$ 318.1	\$ 305.0	\$ 13.1
STATE OF MICHIGAN SOURCES			
Equity Package (Cultural)	\$ 7.5	\$ 7.4	\$ 0.1
Equity Package (Police)	1.1	1.1	-
Gas and Weight Taxes	84.2	57.5	26.7
Library Community Programs	1.0	1.0	-
Mass Transportation Funds	61.9	58.7	3.2
Medicaid Reimbursements	3.3	4.3	(1.0)
Public Health Programs	30.6	22.1	8.5
State Revenue Sharing (General Fund)	332.0	332.0	-
State Revenue Sharing (Library)	1.9	1.9	-
Other Revenues	49.6	68.1	(18.5)
SUBTOTAL - MAJOR STATE REVENUES	\$ 573.1	\$ 554.1	\$ 19.0
TOTAL REVENUES - ALL SOURCES	\$ 3,372.3	\$ 2,784.0	\$ 588.3

**ESTIMATED REVENUES
MAJOR INCREASES AND DECREASES
(\$5 MILLION OR MORE)
2001-2002 MAYOR'S BUDGET / 2000-2001 BUDGET**

<u>REVENUE CATEGORY</u>	<u>In Millions</u>		
	<u>2001-2002 Mayor's Budget</u>	<u>2000-2001 Budget</u>	<u>Increase (Decrease)</u>
<u>LOCAL SOURCES:</u>			
Net Property Tax (Excluding Library)	\$ 225.5	\$205.7	\$ 19.8
Internal Reserve Fund (Vehicles)	29.7	-	29.7
Sales and Charges for Services	119.0	111.2	7.8
Supplemental Fee (GDRRA)	56.2	18.5	37.7
Wagering Tax (Casinos)	94.3	80.7	13.6
Enterprise Agencies:			
Revenue from Operations	721.9	671.0	50.9
Revenue Bonds	360.0	-	360.0
Subsidy from General Fund	87.7	76.6	11.1
<u>FEDERAL SOURCES:</u>			
Community Development Block Grant	59.9	52.9	7.0
Michigan Occupational Skills Training Grant	42.9	34.0	8.9
<u>STATE OF MICHIGAN SOURCES</u>			
Gas and Weight Taxes	84.2	57.5	26.7
Public Health Programs	30.6	22.1	8.5
Other Revenues	49.6	68.1	(18.5)

ESTIMATED REVENUES BY AGENCY
2001-2002 MAYOR'S BUDGET / 2000-2001 BUDGET

AGENCY	2001-2002 Mayor's Budget		2000-2001 Budget	
GENERAL CITY AGENCIES:				
EXECUTIVE AGENCIES:	Amount	Percent of Total	Amount	Percent of Total
11 Arts	\$ -	0.00%	\$ -	0.00%
12 Budget	-	0.00	-	0.00
13 Buildings and Safety Engineering	22,150,000	0.66	20,470,000	0.74
14 Civic Center	10,872,991	0.32	8,401,000	0.30
15 Communications and Creative Services	-	0.00	-	0.00
16 Consumer Affairs	2,016,740	0.06	1,958,000	0.07
17 Cultural Affairs	411,135	0.00	364,100	0.01
19 Department of Public Works	113,282,436	3.36	72,826,536	2.62
21 Employment and Training	88,775,594	2.63	94,204,591	3.38
22 Environmental Affairs	-	0.00	-	0.00
23 Finance	6,582,730	0.20	5,113,974	0.18
24 Fire	10,755,477	0.32	9,359,537	0.34
25 Health	73,135,708	2.17	69,552,900	2.50
26 Historical	546,200	0.02	925,062	0.03
28 Human Resources	11,650,279	0.35	11,648,950	0.42
29 Human Rights	13,500	0.00	13,500	0.00
30 Human Services	62,625,043	1.86	58,696,280	2.11
31 Information Technology Services	4,019,905	0.12	4,227,835	0.15
32 Law	3,726,332	0.11	3,726,332	0.13
33 Mayor's Office	623,000	0.02	-	0.00
36 Planning and Development	69,773,681	2.07	73,962,967	2.66
37 Police	102,828,054	3.05	99,789,072	3.59
38 Public Lighting	62,100,000	1.84	55,869,900	2.01
39 Recreation	18,642,324	0.55	15,570,015	0.56
40 Senior Citizens	1,090,114	0.03	1,084,279	0.04
43 Youth	2,380,498	0.07	2,346,985	0.08
44 Zoological Institute	10,950,408	0.32	10,882,109	0.39
TOTAL EXECUTIVE AGENCIES	\$ 678,952,149	20.13%	\$ 620,993,924	22.31%
LEGISLATIVE AGENCIES:				
50 Auditor General	\$ 300,000	0.01%	\$ 300,200	0.01%
51 Zoning	112,000	0.00	100,000	0.00
52 City Council	711,645	0.02	1,194,084	0.04
53 Ombudsperson	-	0.00	-	0.00
70 City Clerk	-	0.00	5,000	0.00
71 Election Commission	15,000	0.00	167,000	0.01
TOTAL LEGISLATIVE AGENCIES	\$ 1,138,645	0.03%	\$ 1,766,284	0.06%

ESTIMATED REVENUES BY AGENCY
2001-2002 MAYOR'S BUDGET / 2000-2001 BUDGET

AGENCY	2001-2002 Mayor's Budget		2000-2001 Budget	
	Amount	Percent of Total	Amount	Percent of Total
JUDICIAL AGENCY:				
60 36th District Court	\$ 19,455,918	0.58%	\$ 21,800,482	0.78%
OTHER AGENCIES:				
35 Non-Departmental	1,223,748,859	36.29	1,118,426,818	40.18
TOTAL GENERAL CITY AGENCIES	\$ 1,923,295,571	57.03%	\$1,762,987,508	63.33%
18 Debt Service Fund	\$ 70,953,651	2.11%	\$ 66,682,944	2.40%
ENTERPRISE AGENCIES (TAX SUPPORTED)				
10 Airport	\$ 7,739,540	0.23%	\$ 10,781,648	0.39%
20 Transportation	181,006,746	5.36	172,679,700	6.20
72 Library	44,066,270	1.31	40,500,231	1.45
TOTAL TAX SUPPORTED ENTERPRISE AGENCIES	\$ 232,812,556	6.90%	\$ 223,961,579	8.04%
TOTAL TAX SUPPORTED AGENCIES	\$ 2,227,061,778	66.04%	\$2,053,632,031	73.77%
ENTERPRISE AGENCIES: (NONTAX SUPPORTED)				
27 Housing	\$ 77,065,236	2.29%	\$ 79,693,992	2.86%
34 Municipal Parking	48,456,038	1.44	48,601,822	1.74
41 D.W.S.D. - Water Supply	259,858,621	7.71	236,016,938	8.48
42 D.W.S.D. - Sewerage Disposal	759,909,915	22.53	366,023,073	13.15
TOTAL NONTAX SUPPORTED ENTERPRISE AGENCIES	\$ 1,145,289,810	33.96%	\$ 730,335,825	26.23%
GRAND TOTAL - ALL AGENCIES	\$ 3,372,351,588	100.00%	\$2,783,967,856	100.00%